



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

NOTICE OF FILING AND PUBLIC HEARING

D.T.E. 05-85

December 7, 2005

Petition of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company, pursuant to General Laws Chapter 164, § 94, and 220 C.M.R. §§ 5.00 et seq. for approval of a rate settlement effective January 1, 2006.

Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company (together, "NSTAR Electric") and NSTAR Gas Company ("NSTAR Gas," collectively with NSTAR Electric, the "Companies") filed a petition with the Department of Telecommunications and Energy ("Department") seeking approval of a rate settlement agreement ("Settlement") entered into with the Attorney General of the Commonwealth of Massachusetts, the Low-Income Energy Affordability Network and the Associated Industries of Massachusetts. The Department docketed this matter as D.T.E. 05-85.

According to the Companies, the Settlement would mitigate rate increases for electric and gas customers. The Settlement provides for (1) NSTAR Electric rate changes on January 1, 2006 and May 1, 2006, (2) a performance-based rate mechanism for NSTAR Electric beginning January 1, 2007 and extending through December 31, 2012, (3) NSTAR Gas rate changes on January 1, 2006, (4) an expansion of NSTAR Electric's storm fund, (5) the implementation of new procurement programs for NSTAR Electric basic service customers, (6) the implementation of a fixed-price option for NSTAR Gas residential and small commercial default service customers, (7) the implementation of service quality, safety and reliability programs, (8) the implementation of a low-income arrearage management program, and (9) the preparation of an annual capital projects scheduling list.

The Companies state that if the Settlement is approved, effective January 1, 2006, NSTAR Electric's transition rates would be approximately \$20 million lower than would have been collected in 2006. The \$20 million amount would be deferred and collected from customers at a later date, with interest. Also, effective May 1, 2006, NSTAR Electric's distribution charges would increase by \$30 million, which would be offset by a \$30 million reduction in NSTAR Electric's transition rates. The \$30 million reduction in transition rates would be deferred and collected from customers at a later date, with interest. In addition, beginning January 1, 2007, and annually thereafter through December 31, 2012, NSTAR

Electric would implement a performance-based mechanism pursuant to which the annual increases in distribution charges would be offset by decreases in transition charges. The decreases in transition charges would be deferred and collected from customers at a later date, with interest. Also, effective January 1, 2006, NSTAR Gas would adjust its cost of gas adjustment clause to reduce its gas costs by approximately \$18.5 million. This amount would be deferred and collected from customers over a twelve-month period beginning no earlier than May 1, 2006, with interest.

A typical residential customer of NSTAR Electric who uses 500 kilowatt-hour per month would see a bill decrease of \$0.45 compared to what the customer would otherwise have paid in 2006.

Copies of the petition are available for inspection during regular business hours at the following locations: Boston Public Library (Main Branch, Copley Square); the offices of the Companies, 1 NSTAR Way, Westwood, Massachusetts; and the offices of the Department, One South Station - 2nd Floor, Boston, Massachusetts 02110. The petition is also available on the Department's Website, <http://www.mass.gov/dte>. For further information regarding the Companies' petition, please contact the Companies' representative, Robert N. Werlin, Keegan Werlin LLP, 265 Franklin Street, Boston, MA 02110, 617-951-1400.

The Department has scheduled the following public hearings to take place on **Thursday, December 29, 2005**, to receive comment on the Companies' proposal:

Boston Edison Company

City of Boston, 7:00 p.m.

Boston City Hall - Piemonte Room
City Hall Plaza
Boston, Massachusetts

Cambridge Electric Light Company

City of Cambridge, 7:00 p.m.

Cambridge Senior Center
831 Massachusetts Avenue
Cambridge, Massachusetts

Commonwealth Electric Company

Town of Yarmouth, 7:00 p.m.

Yarmouth Town Hall - Main Hearing Room, Lower Level
1146 Route 28
South Yarmouth, Massachusetts

NSTAR Gas Company
City of Worcester, 7:00 p.m.
Worcester Public Library
3 Salem Square
Worcester, Massachusetts

Any person interested in commenting on this matter may appear at the public hearings or file written comments not later than the close of business (5:00 p.m.) on **Tuesday, December 20, 2005**. Any person interested in participating in the evidentiary phase of this proceeding must file a written petition for leave to intervene or to participate in the proceeding not later than the close of business (5:00 p.m.) on **Tuesday, December 20, 2005**. All written documents must be filed with the Department of Telecommunications and Energy, One South Station, Boston, MA 02110, as follows: an original and ten (10) copies with Mary L. Cottrell, Secretary. In addition, one (1) copy of all written documents must be sent to counsel for the Companies, Robert N. Werlin, Keegan Werlin LLP, 265 Franklin Street, Boston, MA 02110, 617-951-1400.

A petition to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for a waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

All written documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and to Shaela.Collins@state.ma.us; or (2) on a 3.5" disk, IBM-compatible format. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding (D.T.E. 05-85), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document. The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be created in either Corel WordPerfect, Microsoft Word, or as an Adobe-compatible PDF file. Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department's Website, <http://www.mass.gov/dte>.